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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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EXAMINER

WINTER, JOHN M

ART UNIT	PAPER NUMBER
	3621

DATE MAILED: 02/25/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary	Application No. 09/754,898	Applicant(s) CLAYTON ET AL.
	Examiner	Art Unit
	John M Winter	3621

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1) Responsive to communication(s) filed on 01 December 2003.

2a) This action is **FINAL**. 2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4) Claim(s) 1-38 is/are pending in the application.
4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5) Claim(s) _____ is/are allowed.

6) Claim(s) 1-38 is/are rejected.

7) Claim(s) _____ is/are objected to.

8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) All b) Some * c) None of:
1. Certified copies of the priority documents have been received.
2. Certified copies of the priority documents have been received in Application No. _____.
3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) Notice of References Cited (PTO-892)
2) Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date

4) Interview Summary (PTO-413)
Paper No(s)/Mail Date. ____.

5) Notice of Informal Patent Application (PTO-152)

6) Other: ____.

DETAILED ACTION

Claims 1-38 remain pending.

Response to Arguments

The Applicants arguments filed on December 01, 2003 have been fully considered.

The Applicant states that claims previously rejected under 35 USC 101 are within the technological arts,

The Examiner responds that as an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.*, the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele test used in *Toma*. However, *State Street* never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in *State Street* (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application claims 1 and 21 only recite an abstract idea. The recited steps of merely informing an individual about the disclosure of personal information, and verifying that this disclosure complies with local laws does not apply, involve, use, or advance the technological arts.

The Applicant states that the Coueignoux (US Patent 6,092,197) reference does not teach "privacy practices or privacy law and regulation Informing an individual that an entity has certified it's compliance with approved privacy and data security practices"

The Examiner responds that Coueignoux relies on a rules engine to control the interaction between the user and an agent, the rule engine allows the user to specify how confidential data is to be handled (Column 2, lines 62-67)(i.e. the user is informed about the data security practices).

The Applicant states that Clayton reference is not properly citable.

The Examiner responds that cited references are within the given background of the present application and deal with well known and published prior art and are therefore useable.

See following rejection.

Claim Rejections - 35 USC §101

Claims 1-38 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, claims 1 and 21 only recite an abstract idea. The recited steps of merely informing an individual about the disclosure of personal information, and verifying that this disclosure complies with local laws does not apply, involve, use, or advance the technological arts since all of the recited steps can be performed in the mind of the user or by use of a pencil and paper. These steps only constitute an idea of how to inform an individual about the status of their privacy rights.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case, the claimed invention produces consent from an individual (i.e., repeatable) in regards to the release of their private data (i.e., useful and tangible).

Although the recited process produces a useful, concrete, and tangible result, since the claimed invention, as a whole, is not within the technological arts as explained above, claim 1 is deemed to be directed to non-statutory subject matter.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 1-5, 7-9, 16, 17, 19-27, 34, 35 and 37-38 are rejected under 35 U.S.C. 103(a) as being unpatentable over Coueignoux (US Patent 6,092,197).

As per claim 1,

Coueignoux ('197) discloses a method for promoting compliance with data protection and privacy laws and regulations relating to the privacy rights of individual; that comprises:

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informing an individual involved in potential disclosure of his/her personal data to an entity that the entity has certified its compliance with approved privacy and data security practices that conform to relevant data protection and privacy laws and regulations covering the use of personal data in at least the individual's or entity's country of location;(Column 2, lines 39-67)

obtaining the individual's consent to have the entity receive, or acknowledgment that the entity will receive, and use his/her personal data in accordance with a stated policy or with relevant data protection and privacy laws and regulations covering a use of personal data in at least the individual's or the entity's country of location; (Column 3, lines 15-28)

transmitting to the entity data indicating that the individual has been informed of the entity's privacy practices and consented to the entity receiving, or acknowledged that the entity will be receiving, and using his/her personal data in accordance with its stated policy or with relevant data protection and privacy laws and regulations covering the use of personal data in at least the individual's or the entity's country a location;(Column 2, lines 39-61)

receiving from the entity data comprising per, personal data collected by the entity from the individual; storing said personal data received from the entity; (Figure 1)

Official Notice is taken that "periodically checking whether the entity has complied with the stated policy or with relevant data protection and privacy laws and regulation covering the use of personal data in at least the individual's or the entity's country of location." is common and well known in prior art in reference to compliance with data protection and privacy laws. It would have been obvious to one having ordinary skill in the art at the time the invention was made to periodically check whether the entity has complied with the stated policy or with relevant data protection and privacy laws and regulation covering the use of personal data in at least the individual's or the entity's country of location in order to in order to allow the entity to correct any inadvertent violations of privacy laws that might have occurred

As per claim 2,

Coueignoux ('197) discloses a method according to claim 1.

Official Notice is taken that " informing the individual that the entity is covered by insurance or equivalent risk: instrument to protect against risk of loss of harm caused to the individual arising from misuse or loss of the individual's personal data by the entity." is common and well known in prior art in reference to compliance with data protection and privacy laws. It would have been obvious to one having ordinary skill in the art at the time the invention was made to inform the individual that the entity is covered by insurance or equivalent risk: instrument to protect against risk of loss of harm caused to the individual arising from misuse or loss of the individual's personal data by the entity in order to in order to promote consumer confidence in the system.

As per claim 3,

Coueignoux ('197) discloses a method according to claim 1

wherein said data indicating that the individual has consented to have the entity receive, or acknowledgment that the entity will receive, and use the individual's personal data comprises data uniquely identifying details relating to the individual's consent.(Column 5, lines 44-64)

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As per claim 4,
Coueignoux ('197) discloses a method according to claim 3
wherein said data indicating that the individual has consented to have the entity receive, or acknowledgement that the entity will receive, and use the individual's personal data and uniquely identifying details relating to the individual's consent is compressed using a hash function.(Column 13, lines 43-51)

As per claim 5,
Coueignoux ('197) discloses a method according to claim 4
wherein said data received from the entity comprising personal data collected by the entity from :lie individual. includes the data transmitted to the entity uniquely identifying details relating to the individual's consent.(Column 6, lines 59-62)

As per claim 7,
Coueignoux ('197) discloses a method according to claim 1
Official Notice is taken that " performed with a multiplicity of entities and individuals located in a multiplicity of countries" is common and well known in prior art in reference to compliance with data protection and privacy laws. It would have been obvious to one having ordinary skill in the art at the time the invention was made to perform with a multiplicity of entities and individuals located in a multiplicity of countries in order to maximize efficiency by processing multiple entities at a single time.

As per claim 8,
Coueignoux ('197) discloses a method according to claim 1
Official Notice is taken that " the individual is informed in an official language of the individual's country of location" is common and well known in prior art in reference to compliance with data protection and privacy laws. It would have been obvious to one having ordinary skill in the art at the time the invention was made to inform the individual in an official language of the individual's country of location in order to allow the individual to comprehend the message, and provide a useful service.

As per claim 9,
Coueignoux ('197) discloses a method according to claim 1
conducted as a multi-entity privacy policy certification program requiring member entities to certify compliance with approved privacy standards for the use of personal data of individuals and providing such entities with a policy notice to confirm their approval by, and membership in, the program.(Column 2, lines 39-61)

As per claim 16,
Coueignoux ('197) discloses a method according to claim 1
Wherein the data received from the entity comprising the individual's stored personal data includes the time period of the individual's consent or acknowledgment, the length of time that the individual's personal data will be retained, and an option to extend or renew the

individual's consent or acknowledgment, if desired, notice thereof being provided to the entity an a the individual in advance of expiration of the consent.(Column 5, lines 44-64)

As per claim 17,

Coueignoux ('197) discloses a method according to claim 16

wherein the individual is provided with the option of having the individual's personal data deleted from the entity's data storage upon expiration of the agreement.(Column 16, lines 43-56)

As per claim 19,

Coueignoux ('197) discloses a method according to claim 1,

wherein the steps of informing the individual, obtaining the individual's consent or acknowledgment, transmitting. data to the entity, and receiving data from the entity are performed over a computer network.(Figure 1)

As per claim 19,

Coueignoux ('197) discloses a method according to claim 19,

wherein the computer network is the Internet.(Figure 1)

As per claim 21,

Coueignoux ('197) discloses a system for promoting compliance with data protection and privacy laws and regulations relating to the privacy rights of individual; that comprises:

means for informing an individual involved in potential disclosure of his/her personal data to an entity that the entity has certified its compliance with approved privacy and data security practices that conform to relevant data protection and privacy laws and regulations covering the use of personal data in at least the individual's or the entity's country of location;(Column 2, lines 39-61)

means for obtaining the individual's consent t have the entity receive, or acknowledgment that the entity will receive, and use 1 his/her personal data in accordance with a stated policy or with relevant data protection and privacy laws arid regulations covering the use of personal data in at least the individual's or the entity's country of location;(Column 3, lines 15-28)

means for transmitting to the entity data indicating. that the individual has been informed of the entity's privacy practices and consent to the entity, receiving, or acknowledgment that the entity will be receiving, and using his/her personal data in accordance with its stated policy or with relevant data protection and privacy laws and regulations covering the use of personal data in at least the individual's or the entity's country of location;(Column 2, lines 39-61)

means for receiving from the entity data comprising personal data collected by the entity from the individual and means for storing said personal data received from the entity;(Figure 1)

Official Notice is taken that "periodically checking whether the entity has complied with the stated policy or with relevant data protection and privacy laws and regulation covering the use of personal data in at least the individual's or the entity's country of location." is common and well known in prior art in reference to compliance with data protection and privacy laws. It would have been obvious to one having ordinary skill in the art at the time the invention was made to periodically check whether the entity has complied with the stated policy or with

relevant data protection and privacy laws and regulation covering the use of personal data in at least the individual's or the entity's country of location in order to allow the entity to correct any inadvertent violations of privacy laws that might have occurred

As per claim 22,

Coueignoux ('197) discloses a system according to claim 21.

Official Notice is taken that "informing the individual that the entity is covered by insurance or equivalent risk: instrument to protect against risk of loss of harm caused to the individual arising from misuse or loss of the individual's personal data by the entity." is common and well known in prior art in reference to compliance with data protection and privacy laws. It would have been obvious to one having ordinary skill in the art at the time the invention was made to inform the individual that the entity is covered by insurance or equivalent risk: instrument to protect against risk of loss of harm caused to the individual arising from misuse or loss of the individual's personal data by the entity in order to promote consumer confidence in the system.

As per claim 23,

Coueignoux ('197) discloses a system according to claim 21

wherein said data indicating that the individual has consented to have the entity receive, or acknowledgement that the entity will receive, and use the individual's personal data comprises data uniquely identifying details relating to the individual's consent.(Column 5, lines 44-64)

As per claim 24,

Coueignoux ('197) discloses a system according to claim 23

wherein said data indicating that the individual has consented to have the entity receive, or acknowledgement that the entity will receive, and use the individual's personal data and uniquely identifying details relating to the individual's consent is compressed using a hash function.(Column 13, lines 43-51)

As per claim 25,

Coueignoux ('197) discloses a system according to claim 24

wherein said data received from the entity comprising personal data collected by the entity from the individual. includes the data transmitted to the entity uniquely identifying details relating to the individual's consent.(Column 6, lines 59-62)

As per claim 26,

Coueignoux ('197) discloses a system according to claim 21

Official Notice is taken that "the individual is informed in an official language of the individual's country of location" is common and well known in prior art in reference to compliance with data protection and privacy laws. It would have been obvious to one having ordinary skill in the art at the time the invention was made to inform the individual in an official language of the individual's country of location in order to allow the individual to comprehend the message, and provide a useful service.

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As per claim 27,

Coueignoux ('197) discloses a system according to claim 21

conducted as a multi-entity privacy policy certification program requiring member entities to certify compliance with approved privacy standards for the use of personal data of individuals and providing such entities with a policy notice to confirm their approval by, and membership in, the program.(Column 2, lines 39-61)

As per claim 34,

Coueignoux ('197) discloses a system according to claim 21

Wherein the data received from the entity comprising the individual's stored personal data includes the time period of the individual's consent or acknowledgment, the length of time that the individual's personal data will be retained, and an option to extend or renew the individual's consent or acknowledgment, if desired, notice thereof being provided to the entity and the individual in advance of expiration of the consent.(Column 5, lines 44-64)

As per claim 35,

Coueignoux ('197) discloses a system according to claim 34

wherein the individual is provided with the option of having the individual's personal data deleted from the entity's data storage upon expiration of the agreement.(Column 16, lines 43-56)

As per claim 37,

Coueignoux ('197) discloses a system according to claim 21,

wherein the steps of informing the individual, obtaining the individual's consent or acknowledgment, transmitting data to the entity, and receiving data from the entity are performed over a computer network.(Figure 1)

As per claim 38,

Coueignoux ('197) discloses a system according to claim 37,

wherein the computer network is the Internet.(Figure 1)

Claims 6,10 and 28 are rejected under 35 U.S.C. 103(a) as being unpatentable over

Coueignoux (US Patent 6,092,197) in view of Clayton et al. (US Patent application

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As per claim 6,

Coueignoux ('197) discloses a method according to claim 1

Coueignoux ('197) does not explicitly disclose "performed with a multiplicity of entities and individuals located in a single country", Clayton et al. discloses "performed with a multiplicity of entities and individuals located in a single country".(Page 2, lines 26-28) It would have been obvious to one having ordinary skill in the art at the time the invention was made to combine the Coueignoux ('197) method with the Clayton et al. method in order to maximize efficiency by processing multiple entities at a single time.

As per claim 10,

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Coueignoux ('197) discloses a method according to claim 9

Coueignoux ('197) does not explicitly disclose "the approved standards meet the standards required by the United States, European Union, or other countries or regional organizations.", Clayton et al. discloses "the approved standards meet the standards required by the United States, European Union, or other countries or regional organizations.".(Page 1, lines 28-31) It would have been obvious to one having ordinary skill in the art at the time the invention was made to combine the Coueignoux ('197) method with the Clayton et al. method in order in order to allow the individual to provide a useful service.

As per claim 28,

Coueignoux ('197) discloses a system according to claim 27

Coueignoux ('197) does not explicitly disclose "the approved standards meet the standards required by the United States, European Union, or other countries or regional organizations.", Clayton et al. discloses "the approved standards meet the standards required by the United States, European Union, or other countries or regional organizations.".(Page 1, lines 28-31) It would have been obvious to one having ordinary skill in the art at the time the invention was made to combine the Coueignoux ('197) method with the Clayton et al. method in order in order to allow the individual to provide a useful service.

Allowable Subject Matter

Claims 11-15,18,29-33 and 36 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims and complying with double patenting statutes.

Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

Conclusion

Examiners note: Examiner has cited particular columns and line numbers in the references as applied to the claims above for the convenience of the applicant. Although the specified citations are representative of the teachings of the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant in preparing responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to John M Winter whose telephone number is (703) 305-3971. The examiner can normally be reached on M-F 8:30-6, 1st Fridays off.

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If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P Trammell can be reached on (703)305-9768. The fax phone numbers for the organization where this application or proceeding is assigned are (703) 305-7687 for regular communications and (703) 305-7687 for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 308-1113.

JMW
February 23, 2004

JAMES P. TRAMMELL
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600